

The original documents are located in Box 128, folder “Friedersdorf, Max (1)” of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

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October 28, 1974

MEMORANDUM FOR MAX FRIEDERSDORF

THRU: WILLIAM E. TIMMONS
FROM: RON NESSEN
SUBJECT: Request from M.C. Lester Wolff

Ollie Atkins, chief of my photography office, talked with the Educational Dimensions Corporation concerning the request for a list of photos for use in an educational film strip series on American government.

Our office is not in a position to supply all that has been requested. Mr. Atkins advised the Educational Dimensions Corporation people of that and also told them that the Presidential Seal is not available for publication to anyone. Additionally, he told them that all the other pictures are available for purchase from the wire services and other news services. Mr. Atkins did, however, provide them a few of our official photos, but they keep coming back for more.

The Educational Dimensions Corporation should appropriately be referred to the news services for the remainder of their picture requests.

Attachments



April 23, 1975

MEMORANDUM FOR RON NESSEN

FROM: Max Friedersdorf

SUBJECT: Suggested Language for Presidential Comment
After Senate and House act Favorably on the President's
Request for Humanitarian Assistance

I am gratified that both the House and the Senate have taken favorable action ~~on my~~ on my request for humanitarian assistance for South Vietnam, and the clarification of my authority to ~~use~~ ^{deploy U.S. elements,} military ~~forces~~ if necessary, in the evacuation process. *we, of course, hope it will not be necessary, encourage*

I am hopeful the House and the Senate conferees ~~can meet~~ ^{are meeting promptly.} ~~are meeting promptly.~~ ^{expedite} to expedite the legislation and I ~~would urge them to adopt~~ ^{hope to} the more flexible language ~~of the House bill~~ regarding the use of funds for the evacuation and humanitarian purposes.

I hope they will swiftly act on the appropriation as quickly as possible.

> Senate 75-17
[m.l. a.d.]

> House - not
tonight



THE WHITE HOUSE
WASHINGTON

May 22, 1975

MEMORANDUM FOR: RON NESSEN

FROM: MAX FRIEDERSDORF *M.F.*

SUBJECT: Johannes Gross of Cologne, Germany
Publisher of the CAPITAL and other West
German publications.

File
R.N.
talked on the
phone w/
Gross on
5/24
(noon)
P.

Ron, you will recall that I spoke to you about Mr. Johannes Gross, a prominent and highly influential West German magazine publisher.

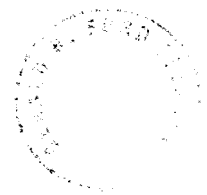
He is arriving in Washington Friday night and would like the opportunity for a photograph with President Ford before the President leaves on his European trip.

I have explained to him the impossibility of obtaining an interview, but he advises that a photograph together with the attached list of questions will be sufficient for a prominent feature article on the President planned in the near future.

Mr. Gross plans to call you Saturday to see about the possibility of having his picture taken with the President and I hope you can accommodate Mr. Gross and also provide answers to his questionnaire.

Our Embassy in Bonn has close relations with Gross and I feel it would be helpful in Western Europe to have a feature on the President in this widely circulated magazine.

Many thanks.



NNNNVV HFO701

OO RUEHFO

FOR MAX FRIEDERSDORF
WHITE HOUSE

DE RUFHIN 0146 QRPQYPT

ZNR UUUUU ZYN

O 201605Z MAY 75

FM USIS/BONN

TO USINFO WASHDC

BT

UNCLAS TO USINFO WASHINGTON FOR IWE SABLOSKY FROM MCKINNEY H.

RUSSELL, USIS BONN

REF GROSS INTERVIEW PROJECT, HIS OFFICE HAS TRIED TO TRANSMIT
CAPITAL'S INTERVIEW QUESTIONS TO MAX FRIEDERSDORF UNSUCCESSFULLY
DUE TO OVERLOADING OF TRANSATLANTIC CIRCUITS. TO ASSIST WE
TRANSMIT THEM HERewith WITH REQUEST THEY BE PASSED TO
FRIEDERSDORF'S OFFICE ASAP.

"MR. MAX L. FRIEDERSDORF, ASSISTANT TO THE PRESIDENT
THE WHITE HOUSE, WASHINGTON

DEAR MR. FRIEDERSDORF,

ON BEHALF OF OUR EDITOR JOHANNES GROSS WE TRANSMIT
SOME QUESTIONS IN PREPARATION OF THE INTERVIEW UNDER DISCUSSION.
MR. GROSS WILL CONTACT YOU SHORTLY AFTER HIS ARRIVAL IN THE
UNITED STATES.

SINCERELY YOURS

MARIANNE KAISER, REDAKTION CAPITAL, COLOGNE

COLOGNE, EDEN 20.5.1975 QPMPP

WHAT MEASURES ARE TO BE TAKEN BY THE UNITED STATES AND HER
ALLIES TO MEET THE GROWING INFLUENCE OF SOVIET RUSSIA,
PARTICULARLY IN AREAS MAINLY CONCERNING THE WEST, AS CYPRUS
AND THE MIDDLE EAST?

HOW WILL THE UNITED STATES REACT IF ONE OF HER ALLIES BECOMES
THE TARGET OF COMMUNIST INTERVENTION, DOMESTIC OR FROM OUTSIDE?
DO YOU RECOGNIZE THE NEED FOR REBUILDING TRUST IN THE US AND HER
OVERSEAS COMMITMENTS, AND IF YES, HOW CAN THIS BE ACHIEVED?

DO YOU THINK THAT CURRENT DECISIONS TAKEN BY THE
AUTHORITIES OF THE UNITED STATES WILL WORK FAST TO END THE

1975 MAY 20 PM 1:01



ECONOMIC SLOWDOWN?

LAST YEAR THE OIL PRICE CRISIS CAUSED BY THE OPEC-COUNTRIES
CREATED WORLDWIDE FEAR OF A GREATER ECONOMIC CRISIS COMPARABLE
TO THAT OF 1930. DO YOU THINK THIS FEAR IS STILE
JUSTIFIED?

WHAT DO YOU THINK OF GERMANY'S ROLE IN THE WORLD-WIDE FIGHT
AGAINST RECESSION AND INFLATION?

HOW REAL IS THE DANGER OF INCREASING PROTECTIONISM AND
ISOLATIONISM IN THE UNITED STATES?

WILL THERE SENTIMENTS FADE WITH THE MEMORY OF THE AMERICAN
ENGAGEMENT IN SOUTH EAST ASIA?

DO YOU SEE A GOOD CHANCE TO CHANGE THE PRESENTLY PREVALENT
ATTITUDE ON FOREIGN POLICY IN CONGRESS?

WHAT'S YOUR ECONOMIC POLICY VIS-I-VIS A WORLDWIDE RECESSION?
HASNT THE TIME COME FOR THE UNITED STATES TO INITIATE AN
EXPORT EFFORT FOR THE YEARS TO COME?

A LEADING AMERICAN BANKER TOLD US SOME WEEKS AGO, THAT IT
WOULD BE EASELY POSSIBLE TO PUSH AMERICAN EXPORTS. DO YOU
WANT TO DO SOMETHING IN THAT DIRECTION AND WHAT COULD THAT BE?
FOR MANY YEARS THERE WAS NO NECESSITY FOR AMERICA TO INCREASE
HER EXPORTS BECAUSE OF THE STRENGTH OF THE HOME MARKET. A
CHANGE IN YOUR EXPORT POLICY WOULD HURT THE EUROPEAN, EXPORT
DEPENDANT, NATIONS. DONTT YOU THINK YOUR PARTNERS IN TRADE
MIGHT WANT TO RETALIATE?

OPPORTUNITIES IN FOREIGN TRADE CANNOT BE JUDGED WITHOUT THE EX-
CHANGE RATES OF TODAY AND TOMORROW. DO YOU AGREE WITH THE VIEW
TAKEN BY SOME BANKERS AND ECONOMIC EXPERTS, THAT THE DOLLAR -
E.G. IN RELATION TO THE DEUTSCHE MARK OR THE SWISS FRANC - IS
UNDervalUED.

A WEAK DOLLAR MAKES THE US ECONOMY MORE COMPETITIVE IN
INTERNATIONAL MARKETS, ON THE OTHER SIDE IT INCREASES YOUR
OIL BILL. WHAT WOULD BE - IN YOUR OPINION - THE IDEAL POSITION
OF THE US CURRENCY?"

END

BT

THE WHITE HOUSE

WASHINGTON

May 27, 1975

MEMORANDUM FOR THE PRESIDENT
DON RUMSFELD
BOB HARTMANN
JACK MARSH
MAX FRIEDERSDORF ✓

FROM: RON NESSEN *RHN*

My notes from a meeting of February 28, 1975, with Democratic Congressional leaders on the President's energy program, show the following quotations which may be of some help in the days ahead:

Senator Pastore:

"If we can't come up with something in 60 days, we can't come up with something (at all)."

"I don't see how we can ask the President to do more than postpone the second dollar for 60 days. If we don't come up with a program by then, you can put it on."

Speaker Albert:

"It's not fair to ask you to make a decision until you've studied our plan. Just hold off the second dollar until you have studied it."

Congressman McFall:

"If the goal of the import tariff was to get the mule's attention, you've got the mule's attention."



THE WHITE HOUSE

WASHINGTON

July 1, 1975

MEMORANDUM FOR: RON NESSEN
FROM: MAX FRIEDERSDORF *M.F.*
SUBJECT: White House Congressional Tours

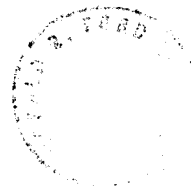
Mike Farrell over in the tour office is sending a letter to the Hill outlining some expanded White House tour hours for the Bicentennial year.

It occurs to me that you should announce this first so that the President will get some credit before tossing this goodie to the Congressmen.

I am sending a copy of the proposed draft letters which I have approved per Mike Farrell's request.

I suggest that you coordinate with Mike so that just prior to his mailing you can make the announcement.

cc: Jack Marsh
Mike Farrell



THE WHITE HOUSE

WASHINGTON

DRAFT/cb

June 26, 1975

Dear Congressman/Senator:

Realizing your interest in establishing plans for accommodating your constituents during our Bicentennial, we thought it would be helpful to provide you with the schedule that the White House will follow for visitors during 1976.

During the early morning tour by reservation we will, of course, continue to accommodate as many of your constituents as possible within the present schedule. To ensure, however, that all visitors to the Nation's Capital have an opportunity to tour the White House if they wish, the regular visiting hours will be lengthened to enable the maximum number to visit. Outlined below is a program of expanded hours which we feel should accommodate those desiring to see the White House:

1. Saturdays -

The visiting hours on Saturday will be *extended* until 2:00 p.m. beginning Saturday, March 27, 1976 through Saturday, October 2, 1976.

2. Tuesdays through Fridays -

We will stay open beyond 12:00 noon Tuesday through Friday whenever the official schedule in the afternoon permits. There is a visitors waiting area which is being established by the National Park Service on the Ellipse. This will allow visitors to be more comfortably accommodated while they wait to tour the White House. We will post the closing time each day at the White House gates and at the visitors waiting area. We expect that our closing times on most days will be 1:00/1:30 p.m. The present practice of admitting everyone in line by closing-time will be continued, thereby avoiding closing the gate to anyone who has been waiting.



Page Two

3. Garden Tours -

Mrs. Ford will sponsor an increased number of garden tours to make the grounds more generally available. The White House gardens and grounds will be open to the public one weekend each month (Saturday and Sunday afternoon), beginning with April and continuing through October. We will provide you with specific dates and times later.

The cooperation that we have received from you and your fine staff is greatly appreciated. Please do not hesitate to contact this office if we may be of assistance to you.

Sincerely,

Michael J. Farrell
Director
Office of White House Visitors

/////
/////
/////



THE WHITE HOUSE

WASHINGTON

April 23, 1975

MEMORANDUM FOR: RON NESSEN

FROM: MAX FRIEDERSDORF *M.F.*

SUBJECT: Suggested Language for Presidential Comment
After Senate and House act Favorable on the
President's Request for Humanitarian Assistance

I am gratified that both the House and Senate have taken favorable action today on my request for humanitarian assistance for South Viet Nam, and the clarification of my authority to use military force if necessary in the evacuation process.

I am hopeful the House and Senate conferees can meet as soon as possible to expedite the legislation and I would urge them to adopt the more flexible language of the House bill regarding the use of funds for evacuation and humanitarian purposes.



THE WHITE HOUSE

WASHINGTON

July 12, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: MAX FRIEDERSDORF

SUBJECT: Solzhenitsyn

I am concerned about the Solzhenitsyn issue and its impact on the right wing on the Hill.

One possible solution might be to host a meeting, a luncheon or some other type of event as soon as possible for Solzhenitsyn, Nureyev, and Rostropovich.

Both Nureyev and Rostropovich are now appearing in the Kennedy Center before sell out crowds and both are highly publicized exiles but not nearly as controversial, of course, as Solzhenitsyn.

They are all three artists of great talent and the meeting could be held as an artistic and intellectual event rather than any political gathering.

I just don't think this issue is going to go away with the conservatives and, of course, it has adverse impact with the liberals too.

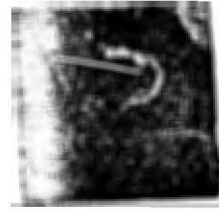
With all due deference to Dr. Kissinger, I believe that if detente is so fragile that it cannot stand a meeting with Solzhenitsyn, it will fall on some other account.

bcc: Ron Nessen



THE WHITE HOUSE
WASHINGTON

August 26, 1975



MEMORANDUM FOR: RON NESSEN
THRU: MAX FRIEDERSDORF *RKW*
FROM: PATRICK O'DONNELL *POD*
SUBJECT: Senator Tower's Request for Reporter and
Cameraman to Travel on Air Force One

Ron, attached letter is self-explanatory. For your information, Senator Tower has also asked to be included on the Dallas to Midland leg on September 13.

What may I tell the Senator?

Thanks.

cc: Red Cavaney



JOHN TOWER
TEXAS

COMMITTEES:
ARMED SERVICES
BANKING, HOUSING AND
URBAN AFFAIRS
JOINT COMMITTEE ON
DEFENSE PRODUCTION

United States Senate

WASHINGTON, D.C. 20510

August 25, 1975

Mr. Pat O'Donnell
Special Assistant to the President
The White House
Washington, D.C. 20500

Dear Pat:

In reference to our telephone conversation last week, a television station in Dallas, WFAA, has requested that a reporter and a camera man from their station accompany President Ford on Air Force One from Dallas to Midland on September 13. They want to film a feature story about travelling on Air Force One and, if possible, a short interview with the President. They may want to interview others on board as well.

Thank you for your attention to this request. We appreciate any assistance you can give.

Sincerely,



Ms. Lou Philpot
Press Aide to
Senator John Tower

slf



THE WHITE HOUSE
WASHINGTON

NOTE FOR: *Bob Mead*

FROM : RON NESSEN

*Can this be
arranged?*

RAN



THE WHITE HOUSE

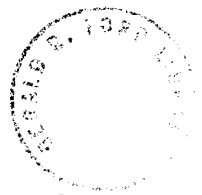
WASHINGTON

September 30, 1975

MEMORANDUM FOR: JACK MARSH
DONALD RUMSFELD
JIM LYNN
RON NESSEN

FROM: MAX FRIEDERSDORF *M.C.*

Jim Cannon asked me to offer some rationalization if the President signs the tobacco bill and I am passing these thoughts along to you.



THE WHITE HOUSE

WASHINGTON

September 30, 1975

MEMORANDUM FOR: JIM CANNON
FROM: MAX FRIEDERSDORF *M.F.*
SUBJECT: Tobacco Bill

Arguments for a Signing Statement on the Tobacco Bill

Tobacco is one of our major export crops, ranking third or fourth in fiscal 1975 with a \$1.2 billion income from overseas exports.

The program brought in more than \$6 billion in local state and federal taxes during the past fiscal year.

The legislation will not increase tobacco production because USDA plans to reduce acreage by 10 or 15% in the near future whether it is signed or not.

But the bill will insure a stable income for several hundred thousand tobacco growers in at least six major tobacco growing states.

This crop is one of the major reasons for our favorable balance of trade.

The present formula has been in effect since 1956 and the tobacco industry through mechanization and a changing labor supply has outgrown this formula established 19 years ago.

For those who oppose the production of ~~that~~ tobacco per se as a health menace, it should be realized that removal of controls would result in the production of even more tobacco if the crop was ~~restricted~~ *not controlled by allotment.*

The major arguments are: 1. Favorable exports, 2. The big revenue from taxation and the need for updating the 19 year old formula.

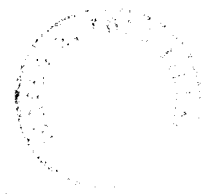


In addition it can be argued that the program has cost very little over the years compared to any other crops.

These arguments can be verified with Joe Todd at the USDA and all figures, of course, should be thoroughly checked for the final draft of any signing statement.

The other commodities that will be watching action on this bill have had several updates in their formulas, I am told, in recent years and we could argue that we are bringing tobacco up to date with other commodities to attain equity for the tobacco farmers.

cc: Jack Marsh
Donald Rumsfeld
Jim Lynn
Ron Nessen



SEPTEMBER 30
1975

MEMORANDUM FOR: MAX FRIEDERSDORF

FROM: Ron Nessen

I have had an exchange of phone calls and letters with Congressman Rhodes concerning his desire to arrange a Presidential interview with a panel of four newsmen from the Middle West who he considers friendly to the President.

I told Congressman Rhodes that this definitely is a worthwhile interview that we would try to work into the President's schedule as soon as possible. But in all honesty I didn't believe we would be able to schedule this interview before the first of the year due to the President's travel, a heavy schedule here at the White House, and other long-standing commitments for press interviews.

Congressman Rhodes and the four newsmen involved have been informed of this outlook and they all seem satisfied to wait until early 1976.

cc: Don Rumsfeld
Bob Hartmann
Jack Marsh

RN/cg



THE WHITE HOUSE

WASHINGTON

September 30, 1975

MEMORANDUM FOR:

RON NESSEN

FROM:

MAX FRIEDERSDORF *M.F.*

SUBJECT:

Rep. John Rhodes (R-ARIZ)

The House Minority Leader spoke to me about his desire for you to arrange a Presidential panel interview soonest for a group of newspaper "friendlies" including:

Al Cromley - Daily Oklahoman
Ben Cole - Phoenix Gazette/Indianapolis Star
Joe Laslik - Kansas City Star
Darwin Olafson - Omaha World

I'm sure you know these fellows. Ben Cole is ~~down~~^W on the White House for permitting exclusive interviews to other newsmen critical of the Administration.

This is your bailiwick, but Rhodes has taken an interest and would like the interview scheduled.

cc: Don Rumsfeld
Bob Hartmann
Jack Marsh



October 7, 1975

MEMORANDUM FOR: DON RUMSFELD
FROM: MAX FRIEDERSDORF
SUBJECT: Congressional Leadership Meetings

Attendance of uninvited staff at Congressional Leadership meetings is totally out of hand.

We have requested as politely as possible that those not specifically invited not attend.

The Republican Leadership meeting today was the worst thus far.

Uninvited staff overflow as so bad that several senior staff who had reserved seats found them occupied when they arrived a few minutes after the meeting convened (Nessen, Cheney).

It would be helpful if you could issue instructions to staff that attendance at leadership meetings is by invitation and not a "drop-in" affair.

bcc: Jack Marsh
Ron Nessen
Dick Cheney



October 9, 1975

MEMORANDUM FOR MAX FRIEDERSDORF

FROM: RON NESSEN

To be absolutely blunt, this TV Show is no more than a two hour publicity blow-out for one of NBC's stars, Bob Hope. I recommend strongly that the President not sign this resolution on film because that would simply be used to promote the program and build up the audience.

I would however think it would be appropriate for the President to film a brief statement of praise for Hope to use on the program itself.

RN/cg



THE WHITE HOUSE
WASHINGTON

Date: 10-10-75

TO:

Ron Nussen

FROM: Max L. Friedersdorf

For Your Information



Please Handle

Please See Me

Comments, Please

Other

Our friends on the Hill resent being lumped with the majority. Lumping them all together hurts.

EDWIN D. ESHLEMAN
16TH DISTRICT, PENNSYLVANIA

COUNTIES:
LANCASTER CHAMBERSBURG
LEBANON (PART)

COMMITTEE:
EDUCATION AND LABOR

POSTSECONDARY EDUCATION SUBCOMMITTEE
(RANKING MINORITY MEMBER)

ELEMENTARY, SECONDARY AND VOCATIONAL
EDUCATION SUBCOMMITTEE

Congress of the United States
House of Representatives

Washington, D.C. 20515

October 8, 1975

WASHINGTON OFFICE:
ROBERT S. WALKER
ADMINISTRATIVE ASSISTANT

2244 RAYBURN HOUSE OFFICE BUILDING
TELEPHONE: (202) 225-2411

DISTRICT OFFICES:
GEORGE W. JACKSON
ADMINISTRATIVE ASSISTANT

1132 PARK CITY CENTER
LANCASTER, PENNSYLVANIA 17601
TELEPHONE: (717) 393-0866

208 MUNICIPAL BUILDING
400 SOUTH EIGHTH STREET
LEBANON, PENNSYLVANIA 17042
TELEPHONE: (717) 274-1641

16 U.S. POST OFFICE BUILDING
COATESVILLE, PENNSYLVANIA 19320
TELEPHONE: (215) 383-5684

President Gerald R. Ford
The White House
Washington, D. C. 20500

Dear Mr. President:

I am quoting from tonight's "Washington Star" -

"This is ridiculous for 535 people elected by the people to stand there and whine and whimper and say 'we can't do this', Nessen said." That is how it is reported in the newspaper.

On the assumption that this is correct reporting, Ron Nessen should know better than to throw a blanket over all 535 of us, and I resent it. I have defended your tax proposal for forty-eight hours and I just might quit.

Sincerely yours,

Ed Eshleman

Edwin D. Eshleman

dt

October 10, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: MAX FRIEDERSDORF *M.F.*
SUBJECT: Senator Barry Goldwater (R-Ariz.)

I have talked to Jack Murphy, Senator Barry Goldwater's Administrative Assistant, and to Tony Smith, the Senator's press secretary. They said that the genesis for the Associated Press wire story which is attached, was the Senator's appearance about a week ago on a Martin Agronsky talk show.

At that time the Senator was pushed pretty hard by columnist John Lofton a strong Reagan supporter who elicited some favorable comments concerning Reagan from Senator Goldwater.

Tony said that, however, on balance the interview reflected more favorable on the President and Goldwater emphasized the need for continuity at this time in the Office of the Presidency. Goldwater stressed that a change in the Presidency would mean at least six months in confirming a new Cabinet at a time that dictated continuity and not change.

On the same show Goldwater also indicated that insofar as ideology and political philosophy there was practically no difference between the President and former Governor Reagan.

Tony Smith said that since this television appearance Lofton has been spreading the word on the Hill that Goldwater was favorably disposed toward Reagan and this has stimulated a lot of press inquiries.

Tony Smith said that Jonathan Wolmon followed the Senator around all day yesterday to obtain the interview quoted in the Associated Press story. Tony said, "I would not take this rash of stories seriously."

He also hinted that Senator Goldwater feels compelled to not put Reagan down at this time because of Garry Goldwater Jr.'s interest in the California Senate race.

Tony said that Barry Jr. is undertaking a survey in California to determine his chances against Tunney and that Barry Sr. did not want to alienate Reagan supporters in the event that Barry Jr. decides to run.



Tony said that the Goldwater Sr. office is not fully convinced that Reagan will run and believes that he may be keeping his oar in in hopes of a Vice Presidential spot.

Tony said that Reagan is out of work and they believe seriously that he would be delighted to be the Vice Presidential nominee.

Tony said that a year ago last summer when President Ford was making his decision on a Vice President's choice that Lyn Nofziger called Goldwater's office and wanted it made known that Reagan would accept the Vice President's position.

Tony said that Nofziger has been in town for quite some time now and has not been around their office to solicit support.

Finally, Tony and Jack said that the quote in the story by Goldwater about Reagan saying his decision to run was about 8 on a scale of 10 is a dated quote that goes back to the August recess.

Senator Goldwater will be bringing some wireless radio operators into the White House next Thursday, October 16, for a photograph and presentation with the President and we recommend that the President take this opportunity to visit privately with Senator Goldwater after the brief ceremony.

✓ bcc: Ron Nessen



Ford Political Raup 30

By JONATHAN WOLMAN

Associated Press Writer

WASHINGTON AP - Sen. Barry Goldwater has injected a dash of political mystery into the still unannounced challenge by Ronald Reagan to President Ford's 1976 GOP presidential aspirations.

The Arizona conservative said Thursday he might endorse Reagan's bid, but he added, "There is a lot about this I can't discuss right now that has a bearing on this."

He would not elaborate, but he said of the former California governor, "If he does announce he'll run, give me a week and then ask me."

In other political developments Thursday:

- A finance statement filed by Ford's campaign committee revealed a long list of wealthy donors.

- Ford praised Howard M. Bo Callaway, head of his campaign committee, and denied in a news conference that he is tailoring his pre-convention campaign to meet the conservative challenge.

- A Harris poll showed the President with slim leads over several Democratic challengers.

The President Ford Committee, the first campaign organization to report contributions and spending, said it has raised \$696,000 and spent only \$279,000 - more than a year before the presidential election and five months before the first primary in New Hampshire.

The report showed only a fraction of the donors contributed less than \$250, while fully one-third gave the maximum \$1,000 allowable under new federal campaign finance laws.

Asked in his Thursday night news conference whether the report shows his campaign is being financed mostly by wealthy Americans, Ford replied, "That's a silly question."

The Harris poll shows Ford leading Sens. Edward Kennedy 8 per cent to 6 per cent; Henry Jackson 7-3 per cent; Edmund Muskie 9-; and Hubert Humphrey, 8-2.

Before Ford takes on any Democrat, he must ride out challenges within the GOP. Recent rumblings have been troubling for his campaign team.

When Callaway described Ford as a conservative in a speech to conservative Capitol Hill staffers Wednesday, he was booed and hissed. They cheered references to Reagan.

Lee Ann, No. 2 man in the Ford campaign before his recent resignation, has criticized Callaway and said campaign problems leave Ford weak in some states where Reagan might pose a strong challenge - such as New Hampshire.

A Goldwater endorsement, should Reagan jump into the GOP race, could be the biggest blow yet. He and Reagan are the most influential forces in the GOP's large right wing.

Goldwater said if Reagan does decide to run, "it puts me on the horns of a dilemma." He said that the last time he talked with Reagan, Reagan said that on a scale of 10 the likelihood he would make the race was about 8.

Ford, asked Thursday night if his strategy was to keep to the right in the GOP until after the convention to thwart a conservative challenge, said he has been "in the middle of the road" and intends to stay there.

He defended Callaway and said he planned no significant changes in his campaign organization.

p7 2gmt 10-10



THE WHITE HOUSE
WASHINGTON

November 12, 1975

MEMORANDUM FOR: RON NESSEN
FROM: MAX FRIEDERSDORF *M.C.*
SUBJECT: Capitol Hill "Good Guys"
 Appearance

I have notified Representative Sam Devine (R-OHIO) of your acceptance of the invitation to appear on Tuesday evening, November 18, before a group of about 70 House Republicans at the Capitol Hill Club.

This group is strongly supportive of the President, contains members of the House GOP Leadership and is conservative.

The group meets monthly and has had many of the top White House and Cabinet members as guests.

The format is about a 15 minute talk, followed by Qa and As.

We should plan on going up about 7:00 p.m.

cc: Jack Marsh

Put on schedule



THE WHITE HOUSE
WASHINGTON

November 17, 1975

MEMORANDUM FOR: RON NESSEN

FROM: MAX FRIEDERSDORF

M-6.

Congressman Michel's office requested that I bring this material to your attention.



November 17, 1975

Dear Ralph:

Many thanks for sending along the material on the student loan program.

I have already discussed this with Ron Nessen and will send this material on without delay.

With cordial regard,

Sincerely yours,

**Max L. Friederdorf
Assistant to the President**

**Mr. Ralph Vinovich
Administrative Assistant to
Congressman Robert H. Michel
House of Representatives
Washington, D.C. 20515**

MLF:jg

bcc: Ron Nessen



ROBERT H. MICHEL
18TH DISTRICT, ILLINOIS

MINORITY WHIP
APPROPRIATIONS COMMITTEE
RANKING MEMBER
LABOR, HEALTH, EDUCATION, AND WELFARE
SUBCOMMITTEE

WASHINGTON OFFICE:
2112 RAYBURN BUILDING
(202) 225-6201

Congress of the United States
House of Representatives
Washington, D.C. 20515

RALPH VINOVICH
ADMINISTRATIVE ASSISTANT

DISTRICT OFFICE:
1007 FIRST NATIONAL BANK BUILDING
PEORIA, ILLINOIS 61602
(309) 673-6358

COUNTIES:
BROWN MASON
BUREAU PEORIA
CASE SCHUYLER
KNOX STARK
TAZEWELL

November 13, 1975

Mr. Max L. Friedersdorf
Assistant to the President
The White House
Washington, D.C. 20500

Dear Max:

I am enclosing a package of material on the student loan program which we talked about. You will note a release dated today outlining Bob's efforts to get House committee action on his bill rather than waiting for an omnibus education bill or until the Senate hearings are completed.

The memo on Jackson's hearings is only a sampling of things he will be going into, but at least this will give you and the press office something to fall back on if there are any questions from the media as a result of Jackson's hearings.

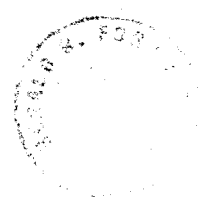
Hopefully he will play it straight and not try to club the Administration, but if he doesn't, this material should provide some good rebuttal comment from the White House.

Sincerely,



Ralph Vinovich
Administrative Assistant

RV:ls
Encls.





NEWS

from
Congressman BOB MICHEL

18th DISTRICT, ILLINOIS

HOUSE MINORITY WHIP

2112 RAYBURN H.O.B. (202) 225-6201
1524 LONGWORTH H.O.B. (202) 225-0197

FOR IMMEDIATE RELEASE

CONTACT: Jay Bryant
202/225-0197

WASHINGTON, NOVEMBER 13, 1975. Congressman Bob Michel today urged Congress to act promptly in passing legislation to end fraud and abuse in government student aid programs.

In testimony before the House Post-Secondary Education Subcommittee, Michel argued against delaying action until the Subcommittee develops an omnibus education bill, or until the completion of Senate hearings on student aid fraud.

"The facts are known and the need is clear," Michel said. "Even if the Senate hearings produce some spectacular publicity, it is unlikely that they will change our understanding of the problem."

Michel introduced his legislation a month ago, following an investigation of the problem by his staff. It sets criminal penalties for a series of dishonest activities in the proprietary vocational school industry. Senator Henry Jackson's Permanent Investigations Subcommittee will hold hearings on the same subject beginning tomorrow.

An interim Michel move, beefing up the investigative staff in HEW so that they can more adequately handle the fraud problem, won House Appropriations Subcommittee approval on October 30, and is awaiting full Committee action.

But Michel argued that the criminal sanctions of his proposed law are also needed. "I contacted U.S. Attorneys, state Attorneys General and other prosecution authorities," he said. "To a man, they asked for a coherent and straightforward statute relating directly to government student aid programs," he added.

According to Michel, the fraud amounts to hundreds of millions of dollars annually.

JACKSON'S HEARINGS

GAO will testify on Friday the 14th of November. Anticipated that GAO will state that HEW should not have paid 98% of the OE loans in the West Coast School case because of improprieties.

Senate Investigator claims that the committee's data and information will be forwarded to the Assistant U.S. Attorney prosecuting the case in California. Is very certain that six indictments will be handed down, one being an OE official who worked in the Guaranteed Student Loan Office for HEW in San Francisco.

HEW's Office of Audit will be criticized on its idleness in the West Coast School case, very critical of its audit performances in this case.

Affidavit by a bank official in Arizona to the Office of Education in 1974 stated that Mr. Peters, owner of the West Coast Schools, brought into his bank \$350,000 in \$100 denominations. The Office of Education official stated that since the school was out of business, so what, and did nothing.

Office of Education's management and controls over the Student Loan Offices will be greatly explored, very damaging.

WASHINGTON

STAR-NEWS

10/3/75

Bill Proposed to Cure Student Loan Abuse

By John Mathews
Washington Star Staff Writer

schools are involved "in the ripoff," — a finding that

NY TIMES 10/4/75

(17)

THE NEW YORK TIMES, SA

Student Loan Plan Is Assailed;
Curb on Fraud Urged in House

TAMPA
TRIBUNE
10/4/75

U.S. Said Billed On Student Loans

WASHINGTON (UPI) — The federal government may have been bilked by in excess of \$500 million by shady profit-making schools under the student loan program. Rep. Robert H. Michel, R-Ill., said yesterday.

U.S. Education Commissioner Terrill Bell agreed that fraud permeates the program. Part of the problem, he said, is that there have been four commissioners in less than seven years. "We've been scrambling as best we can to be on top of it," he said.

Michel, introducing legislation to prevent the practices,

Bill Proposes Criminal Penalties

Michel Slams Student Loan Misuse

WASHINGTON, D.C. — Sen. Robert H. Michel, R-MI, introduced a bill yesterday imposing new criminal penalties for misuse of the student loan program, which he called "a con game of immense proportions."

Appearing at press conference with U.S. Education Commissioner Terrell Bell, Michel said the problem centers in the proprietary schools, usually privately-owned trade or correspondence schools which enroll students by misleading advertising and high-pressure salesmanship.

The students are induced to take out federally-backed loans and pay in advance. In some cases, the schools sell the loan paper close down, leaving the student still indebted. In others, the schools

count on a high dropout rate and keep the full tuition.

"When pieced together, it amounts to one of the most gigantic ripoffs in the country," Michel said.

The default rates on student loans are 18 per cent and still rising, he said. Seventy per cent of the defaults involve proprietary schools.

Michel said he could not name individual cases because many of them are being investigated by the FBI and other agencies.

But he said that one school in Detroit, whose qualifications for handling student loans were never clearly established, arranged federal aid worth \$400,000 for 659 students. Of these, 20 per cent never attended a single class and another 33 per cent

dropped out before finishing the course.

Another case involved a nationwide correspondence school that had 91,000 students receiving federally-insured loans. Only 1,665 of the students completed their courses.

Michel said there are no criminal penalties for these abuses. The law can only reach them if it can prove de-

ceptive advertising or a related crime.

His bill would make it a federal crime to defraud students receiving federal assistance and would prohibit bribes, kickbacks or other inducements to make student loans or sell the notes.

It would also prohibit profit-making schools from becoming lenders under the guaranteed student loan program. The students' and the government's rights to refunds would be guaranteed.

Schools collecting money provided by student loans would have to hold it in escrow pending completion of the courses and could not be mingled with other accounts.

Woman Overcome By Smoke In Fire At Her Apartment

A 90-year-old woman was injured in a fire at her Tiffany Dr. apartment about 12:50 p.m. Thursday.

Cora Munz, of 1502 W. Tiffany, was treated for smoke inhalation at Proctor Hospital.

Fire Capt. Ron Campbell

TURKEY DINNER
The Fraternal Order of



CHICAGO TRIBUNE
10/9/75

12.11

Move under way to stop abuse of student loans

By Arthur Siddon

Chicago Tribune Press Service

the course. The government never received any of its losses.

"This fraud comes about in a great

Bilking of U. S. Government In Loan Program Observed

WASHINGTON (UPI) — The federal government may have been bilked by in excess of \$500 million by shady profit-making schools under the student loan program, Rep. Robert H. Michel, R-Ill., said Friday.

U.S. Education Commissioner Terrell Bell agreed that fraud permeates the program. Part of the problem, he said, is that there have been four commissioners in less than seven years. "We've been scrambling as best we can to be on top of it," he said.

MICHEL, introducing legislation to prevent the practices, told a news conference the default rate has been an "astronomical" 18 per cent in a program under which the government has guaranteed loans totaling \$8 billion over 10 years. Since the student-borrowers who default the loans often have no assets, the government has to repay the loans to private lenders.

In one case under investigation, Michel said, a nationwide correspondence school enrolled 91,000 students who received loans — and 89,000 of the students dropped out. Only 2 per cent of the students graduated. Over five years, the school has received an average of more than \$90 million a

year in loans. Michel declined to name the school.

Frequently, the congressman said, a school is also the lender. When the loan is defaulted, the federal government repays the loan to the school. Bell said this is an "inherent conflict of interest."

A COMMON FORM of fraud, Michel said, occurs when a school induces a student to sign up for schooling and get a loan. If the student drops out, he receives no refund. The student defaults on the government-guaranteed loan and the government makes good his debt. The government is left to try to recollect from a student who has no assets.

He introduced a bill to make it a federal crime to defraud students receiving loans, to prohibit bribes, kickbacks and other unethical methods to induce students to apply for loans and to prohibit profit-making schools from also being lenders.

Michel said there is no criminal law prohibiting such abuses. "Unless the schools can be prosecuted for deceptive advertising or some other related crime, they cannot be properly dealt with by the law," he said.

Michel has been a member for 18 years of the House Appropriations subcommittee which oversees education programs.



2 Big Calif. Banks Quickly Leave Student Loan Program, Two Others Consider Withdrawing

By GEOFF BROUILLETTE

SAN FRANCISCO. — Two major California banks have already quietly pulled out of the Federal guaranteed student loan — GSL — and two others are considering doing the same, according to sources here. Although California banks account for 15% of the nation's GSL loans, the departure from the program by four of the six largest retail banks here would force the remaining two major banks to restrict severely the loans they could make, these sources say.

The basic problem cited by all of them as motivating their actions has been a growing rate of defaulted loans, combined with a slowness on the part of the U. S. Office of Education in paying bank claims.

The loans cease to draw interest after having been in default for 120 days, yet the banks say they must wait as long as two years to receive payment of their claims.

The GSL program, operated by the OE, subsidize banks throughout the nation in making reduced-interest loans to students and guarantees repayment of defaulted loans. Approximately \$3 billion

(Continued on page 16)





Congressman **ROBERT H. MICHEL**

NEWS

2112 HAYBURN BUILDING

PHONE: 225-6201

STATEMENT OF CONGRESSMAN BOB MICHEL
ON THE INTRODUCTION OF
THE STUDENT AID ABUSE ACT OF 1975
OCTOBER 3, 1975

It is now clear that there is substantial fraud and abuse in our Federal student aid programs, particularly the proprietary school segment of the guaranteed student loan program, and it is high time we stopped it.

This fraud comes about in a great variety of ways. There is no single m. o. Rather, the avenues which are used are as many and varied as the criminal mind. It is a con game of immense proportions, involving huge sums of money. When pieced together, it amounts to one of the most gigantic ripoffs in the country.

And who are the victims of this fraud? They are the taxpayers of the United States and the thousands of individual people who enroll in these schools after being led on by misleading advertising and high pressure salesmanship.

My office has conducted a vigorous investigation on this problem, and I am delighted to say that we have had the cooperation of the new Secretary of HEW, and especially of the Commissioner of Education, Dr. Terrell Bell, who is with me today, and who is as committed as I am to rooting out this corruption, and ending the abuses which exist not only in the proprietary school industry, but also in the financial community and the Office of Education itself.

Dr. Bell deserves the applause and support of the people and the Congress for his commitment to good government. In addition, he needs some new tools in order to do the job of cleaning up this blight on our education program.

The legislation which I am introducing today is designed to provide those tools.

But before discussing the specifics of the bill, let me attempt to outline the parameters of the problem. This is a difficult task, because as I have indicated, there are a vast number of varieties of student aid fraud. But let me give you some idea of what we are talking about.

In many instances, the fraud comes about because fly-by-night proprietary school operators sign up students, have them fill out the forms for the federal loans, sell the loan paper for cash, and then go out of business, leaving the student without the education they expected but still owing the government the loan money. In some cases, student names and signatures have been falsified on the loan applications.

Most of the time, the proprietary schools themselves are the lenders, and they frequently sell their paper to established lending institutions, who are willing to purchase it on the basis of the government guarantees. It is possible that in some instances lending institutions themselves have been party to these shady activities, although in most cases they are unwitting participants, having purchased the notes in good faith.

Not all of the problems involve fly-by-night operations, however. There are some well-established correspondence schools, for example, that are systematically involved in the ripoffs. Characteristically, they operate on the basis of a high--perhaps enormous is a better word--rate of student dropouts. Justice would suggest that if a student drops out of a class after a few weeks, he should be refunded a prorated portion of his tuition, but in case after case this is not done. The result is that the school collects the full tuition through government



student loans. puts the money to its own use, and lets the government worry about trying to collect from the dropped-out student when the loan comes due. The student is then faced with a dilemma. He received no education, but he is in trouble with the law if he does not pay up. Given these conditions it is small wonder that the default rates on student loans are so astronomical. For the guaranteed loan program, these rates are currently about 18% and rising, with 70% of the defaults involving proprietary school students.

Let me cite for you here just three examples of cases that are currently under investigation by Federal authorities. Because these investigations are now in process, I cannot divulge the names of the schools involved, nor can I reveal which Federal agencies are doing the investigations. But I think these cases will give you some idea of what we are dealing with.

The first case involves a vocational-technical school in Detroit. It has been discovered that 659 students of this school received Federal financial aid of \$400,000. The investigation also reveals that 20% of the 659 students never attended a single class, and that an additional 33% dropped out before completing the course. It is alleged that the school was ineligible for federal student aid to the 659 students. No accurate accounting system or documentation has been uncovered to substantiate or verify the school's claim to receive the Federal student aid money.

The second case. A Federal investigation into a proprietary school on the West Coast reveals approximately 7,000 students receiving Federal student aid. The drop-out rate is 50%. The estimated amount of money involved is between 9 and 14 million dollars. That is taxpayers' money the school collected on behalf of students it never educated.

In the third case, a large, nation-wide proprietary correspondence school claimed 91,000 students receiving Federal Insured Student Loans. 89,000 of those students dropped out, and the investigation reveals that only 1,665 students graduated, some 2% of the students receiving government financial assistance. This school has averaged over 90 million dollars a year in FISL funds during the last five years.

There are any number of other cases, and some have received coverage in the press. At the moment, virtually all of them involve what is termed "program abuse," and therein lies the rub. There are at present no criminal penalties for these abuses. Unless the schools can be prosecuted for deceptive advertising or some other related crime, they cannot be properly dealt with by the law.

My bill is designed to close this loophole. My bill would make it a Federal crime to defraud students receiving Federal assistance. It would also prohibit bribes, kickbacks, and other unethical inducements for individuals to make student aid grants or loans, or to sell student loan notes. It would make it a Federal crime to submit false claims and reports, make false statements or to falsify or destroy records needed to prove such violations. I intend to assure that Federal auditors and investigators have access to these records.

In addition, profit making schools will be prohibited from being lenders under the Guaranteed Student Loan Program, a power they have too often used as a sales device. And the student's and the government's rights to refunds will be guaranteed in all proprietary schools.

The bill also provides that whoever receives disbursements of Government student aid funds be designated the custodian of those funds and be prohibited from using them for other than the purpose for which they were granted. The funds could not be co-mingled with other monies, and must be held in escrow.

Finally, we would charge the Secretary of HEW with the responsibility for the enforcement of these provisions, and authorize him to conduct appropriate investigations to insure compliance. In this regard, it is clear that a beefing up of the investigative staff of the Department from its current staff of ten is essential. We have added an additional 12 positions in the Labor-HEW Appropriations bill, and I intend to move for further increases when we put together a supplemental appropriation bill later this fall.

Had these things been done years ago, we would not have the problem today. If they are done now, we will eradicate the

problem for the future. I intend to press for passage of this legislation with every resource at my command. I intend to stop the ripoffs and the fraud and the deception. We simply cannot tolerate something like this in our country.

Ladies and gentlemen, let me say this. This thing is big; it is much bigger than we thought when we got started. How much money is involved? No one knows. It could be as much as 500 million dollars; it could be more.

Who is involved? We're just scratching the surface. The tentacles of this thing appear to reach deep into the government.

They reach into some of the nation's largest corporations. In the financial community, there are indications that banks, savings and loan associations, credit unions and other lending institutions are involved. The FBI has established task forces to probe the extent of this network.

There are people who have been perhaps unwittingly drawn into it, including Congressmen and Senators who may have had no idea of the far-ranging ramifications of this thing.

I am gravely concerned about where it all may lead. It is definitely not a penny ante matter.

There is going to be a lot of activity in this area as the investigations proceed. There is also going to be a lot of demagoguery, I fear, and some unproved charges tossed about. Those of us who are concerned about this problem have a special obligation to see that we do not by our conduct make statements which will damage the reputations of innocent people and infringe upon their personal rights. I intend to observe that standard.

CONGRESSMAN BOB MICHEL (R-ILL)

STUDENT AID ABUSE ACT OF 1975

SUMMARY PROVISIONS

10/3/75

I. STATUTORY AUTHORITY TO CONDUCT INVESTIGATIONS

The Secretary is charged with the responsibility for the enforcement of the provisions of this act and regulations issued pursuant to this act. The Secretary is authorized to conduct such inquiries, audits, surveys, inspections and investigations necessary to insure compliance with this act and Department regulations applicable to student financial aid programs including violations of the fraud statutes.

II. ESTABLISHMENT OF RECIPIENT INSTITUTIONS AS CUSTODIANS OF FEDERAL FUNDS (AMENDMENT TO TITLE 20 AND TITLE 42 U.S. CODE).

Whoever receives disbursements of United States Government funds under a Title 20 or Title 42 student financial aid program is a custodian of such funds and is prohibited from using such funds for other than the purpose for which such funds were granted, awarded and/or disbursed to the educational institution. As custodians, they shall maintain trust or escrow accounts and records of such accounts. Such funds shall not be co-mingled with the operating funds of any institution or any other funds not held in trust or escrow. Violations of this provision of the act are subject to the penalties of Section 649, Title 18 U.S. Code, Chapter 31 "Embezzlement and Theft."

III. SANCTIONS AND PENALTIES APPLICABLE TO ABUSES OF THE STUDENT ASSISTANCE AND GUARANTEED STUDENT LOAN PROGRAMS

A. It shall be unlawful to:

(1) Deliberately deceive or defraud any student attending or intending to attend an institution of post-secondary education in regard to:

- a. Benefits which may be available under any Federal student aid or loan or loans guarantee program.
- b. Tuition and fees for which Federal student aid or loans or loan guarantees are used or rights to refunds of such tuitions and fees.
- c. Such offense shall be a misdemeanor if the actual or potential loss to the government or other parties is under \$5,000 and felony if such actual potential loss exceeds \$5,000.

- (2) Solicit, offer, or receive a commission, fee or other direct or indirect bribe, kickback, payment or compensation not expressly permitted by regulation, for:
 - a. Obtaining any Federal payment or commitment for student assistance, loan or loan guarantee.
 - b. Transfer, pledge or sale of any student loan obligation guaranteed by the Federal government.
 - c. Such offense shall be a misdemeanor if the aggregate amount of such payouts is less than \$500, or a felony if the aggregate amount is \$500 or more.
- (3) Knowingly and willfully make or cause to be made any false statement or representation of a material fact in any application for any Guaranteed Student Assistance Loan, or in any application requesting interest and/or special allowance payment by a lender for Guaranteed Student Assistance Loan (s).
- (4) Make or file or cause to be made or filed, any false statement, certification, claim or report to the government or any school, lender, guarantee agency, state agency, accrediting body, or other organization affect benefits under any Federal program of student aid or loans or loan guarantees.
- (5) Have knowledge of the occurrence of any event affecting (a) one's initial or continued right to any such benefit or payment, or (b) the initial or continued right to any such benefit or payment of any other individual in whose behalf one has applied for or is receiving such benefit or payment, and to conceal or fail to disclose such event with an intent to fraudulently secure such benefit.
- (6) Make application to receive any such benefit or payment for the use and benefit of another and having received it, knowingly and willfully convert such benefit or payment or any part thereof to use other than for the use or purpose for which made.
- (7) Fail to maintain records as prescribed in regulations as deemed necessary by the Secretary or Commissioner of Education and to fail to produce these records at all reasonable times upon notice by a duly authorized representative of the U. S. Government and to refuse to afford such representative access to examine said records. In the event permission to inspect said records is refused, such representative may obtain a subpoena for such records through any U. S. Attorney or Court of competent jurisdiction. When construing or enforcing provisions of said sections of the act, omission or failure of any person acting for or employed by any individual, partnership, corporation,

or association acting within the scope of his employment or office shall, in every case, be deemed the act, omission, or failure of such individual, partnership, corporation, or association as well as of such person.

- (8) Make any payment of Guaranteed Student Loan proceeds to a student borrower except by check payable to the student and/or an educational institution, and to negotiate any such check unless personally endorsed by the student.
- B. Any individual, partnership, corporation or association who violates any provision under Part A shall be, upon conviction, subject to imprisonment for not more than one year or fined not more than \$1,000 or both; however, if such violation involves intent to defraud, such person, firm or corporation shall be subject to imprisonment for not more than three years or fined not more than \$10,000 or both.

IV. LIMITATIONS ON PROPRIETARY EDUCATIONAL INSTITUTIONS

- A. Proprietary educational institutions shall be prohibited from participating in the letter-of-credit system operated by the Department of Health, Education and Welfare through the National Institutes of Health.
- B. Proprietary educational institutions shall be entitled to receive payments of funds pursuant to Federal grant and student assistance allocations only on the basis of vouchers attesting to specific commitments and expenditures of funds.
- C. Proprietary educational institutions shall be prohibited from eligibility as lenders under the Guaranteed Student Loan Program.
- D. No individual receiving sales commissions or compensation related to sales or enrollments may participate in any application for or processing of any application for Federal student assistance or Guaranteed Student Loans.
- E. Students attending proprietary educational institutions who have received Federal student aid, loans or Guaranteed Student Loans shall be entitled to refund of tuition and fees calculated on a pro-rata basis within 30 days after withdrawing from school or their enrollment is terminated for any reason. Any such refund shall first be applied to reduce the student's obligation on any outstanding Federal student loans or Guaranteed Student Loans and any balance paid to the student.
- F. The Secretary may adopt separate regulations governing the participation of proprietary educational institutions in Federal Student Assistance or Guaranteed Student Loan programs.
- G. Proprietary educational institutions shall be defined as those not qualifying under Section 501-C-3.

WASHINGTON
STAR/NEWS
11/9/75

Be Wary of 'Career' Schools

By Sidney Margolius
Special to the Washington Star

dents from a restitution fund of \$750,000. The FTC complaints against these had to agree to make available a restitution fund of \$1.25 million. Early in September, the FTC announced that it had filed a large number of complaints against trade schools with resultant

CHICAGO TRIBUNE
10/4/75

18.4

Move under way to stop abuse of student loans

By Arthur Siddon

the course. The government never received any of its losses.

November 24, 1975

MEMORANDUM FOR: MAX FRIEDERSDORF

FROM: RON NESSEN

Phil Shabecoff of the New York Times is doing a long, serious story on "the powers of the President" in the wake of Watergate, Vietnam, and the other events of recent years.

He complained to me that he is having difficulty reaching you. If you have the time, I think it would be worthwhile talking to Shabecoff.



RN/jb

December 21, 1975

MEMORANDUM FOR: DICK CHENEY
MAX FRIEDERSDORF ✓
JERRY JONES

FROM: RON NESSEN

SUBJECT: BEST TIME FOR THE STATE OF THE UNION
SPEECH

On January 19, the date for the State of the Union speech, NBC has a three-hour movie, "The Day of the Jackal," starting at 9 p.m.; ABC has a three-hour movie starting at 8:30 p.m.; and CBS has the very popular "All in the Family" beginning at 9 p.m.

Nevertheless, I still recommend delivering the State of the Union at 9:00 p.m. All three networks indicate informally and off-the-record that they have been planning all along for a 9 p.m. starting time and will adjust their schedules accordingly. One network executive tells me that if we change the time now from 9 p.m., it could produce some news stories about the White House tinkering with the time simply for the sake of television exposure.

The one favor the networks do ask is an official confirmation as soon as possible of the 9 p.m. time



jb